

September 4, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: David E. Janssen
Chief Administrative Officer

STATE LEGISLATIVE UPDATE

State Budget Update

The budget and related trailer bills are now available. The entire package consists of 21 bills, only 7 of which are new, the remainder having been approved in May and June, and a technical budget clean-up bill, AB 692. Also, the Governor has scheduled a press conference for 10:30 a.m. tomorrow to sign the budget bill and announce his line item vetoes. While rumors suggest that he will cut an additional \$300 million in spending, he has only indicated that he plans to cut deeper than the \$750 million reduction called for in the budget compromise.

County-Interest Legislation

SB 807 (Dunn and Perata), as amended on August 29, 2002 would add \$200 to the fines already imposed on those convicted of the following moving violations: 1) driving in excess of 100 miles per hour, 2) reckless driving, 3) driving with a blood alcohol concentration of 0.05 percent or more under the age of 21, and 4) driving under the influence of alcohol or drugs. It would require 75 percent of the resulting revenue to be deposited in the Physician Services Account of the Maddy Emergency Medical Services Fund (EMSF) for private sector physicians, and 25 percent to be allocated through the EMSF to public and private hospitals providing disproportionate trauma and emergency medical care services.

Existing law authorizes each county to establish a Maddy Fund upon adoption of a

resolution by the board of supervisors. A \$2 assessment is imposed on each \$10 of traffic fines for deposit in the fund. After deducting 10 percent for county administrative costs, the fund is used to reimburse physicians and hospitals for uncompensated trauma and emergency medical services as follows: 1) 58 percent for physicians for uncompensated emergency room costs, 2) 25 percent for hospitals providing disproportionate trauma and emergency medical care services, and 3) 17 percent for other emergency medical services purposes as determined by each county.

A recent Assembly Appropriations Committee report estimated that SB 807 could result in increased revenue of \$50 million Statewide for counties' Maddy Funds, assuming that violators are able to afford the total level of penalties as increased by these assessments. If the violator chooses jail time or community service instead of paying the increased penalties, the potential revenue would be substantially reduced. According to the Department of Health Services (DHS) Emergency Medical Services Director, this bill would bring additional revenue into the County's Emergency Medical Services system for hospitals and physicians.

SB 807 is on the Governor's desk.

Status of County-Interest Legislation

Attached is a listing of bills on which the County has taken positions during the 2001-02 Regular and Special Sessions. We will provide a final listing once the Governor has acted on the legislation remaining on his desk.

Leadership Changes and New Committee Chairs

As a result of term limits, Speaker Herb Wesson has replaced some committee chairs effective September 1, 2002. The appointments are as follows:

Leadership

George Nakano (D-Torrance), Democratic Caucus Chair

Committee Chairs

Patricia Wiggins (D-Santa Rosa), Banking and Finance Committee

Jackie Goldberg (D-Los Angeles), Education Committee

Fran Pavley (D-Agoura Hills), Environmental Safety and Toxic Materials Committee

Dario Frommer (D-Los Angeles), Health Committee

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Carol Liu (D-La Canada Flintridge), Higher Education Committee
Juan Vargas (D-San Diego), Insurance Committee

Simon Salinas (D-Salinas), Local Government Committee

Hannah-Beth Jackson (D-Santa Barbara), Natural Resources Committee

Gloria Negrete McLeod (D-Chino), Public Employees, Retirement and Social Security Committee

Sarah Reyes (D-Fresno), Utilities and Commerce Committee (Assembly Member Reyes will no longer chair the Assembly Jobs, Economic Development and the Economy Committee, but will remain a member of the committee.)

Speaker of the Assembly's Commission on Structural Challenges to Budgeting in California

Before the close of session, Assembly Member Wesson introduced HR 96 which establishes the Commission on Structural Challenges to Budgeting in California. The Commission is charged with identifying and examining issues and problems that contribute to difficulties in enacting a State budget and making recommendations to the Legislature on how to address these issues and problems.

The Commission's responsibilities include a review of revenues to the State General Fund, the stability and volatility of the various revenue sources, expenditures from the General Fund, including requirements brought about by legislation, initiatives and ballot measures, court decisions, and the federal government, and the impact of expenditure limitation measures. The Commission is also required to examine potential changes in statute or the California Constitution that would enhance the State's long-term strategic planning and improve the State's budget process.

The Commission, which is chaired by the Speaker, will be composed of 12 Members of the Assembly, including the Minority Leader and five appointees, and five appointees by the Speaker. The Commission must begin meeting no later than February 1, 2003 and conclude its activities by May 1, 2003.

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We will continue to keep you advised of any new developments.

DEJ:GK
ML:EW:MS:md

Attachment

c: Executive Officer, Board of Supervisors
 County Counsel
 All Department Heads
 Legislative Strategist
 Local 660
 Coalition of County Unions
 California Contract Cities Association
 Independent Cities Association
 League of California Cities
 City Managers Associations
 Buddy Program Participants